

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
Minutes of the Administrative Committee Meeting  
May 31, 2013

TRUSTEES PRESENT

Ms. Audrey Hidano, Chairperson  
Ms. Karolyn Mossman

Mr. Clifford Uwaine

TRUSTEES ABSENT

Mr. Dean Hirata

ATTORNEY: None

EUTF STAFF

Ms. Sandra Yahiro, Acting Administrator  
Ms. Donna Tonaki  
Ms. Maria Quartero  
Ms. Bonny Kahalewai

Mr. Tom Morrison (via conference call at 1:40 pm)  
Mr. Bert Nishihara  
Ms. Kathleen Shiroma  
Ms. Nicole Wong

OTHERS PRESENT

Ms. Irene Bayudan, VSP  
Ms. Sandra Benevides, CVS Caremark  
Ms. Elaine Fujiwara, HDS

Ms. Lynne Miura, Royal State  
Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 1:34 p.m. by Trustee Audrey Hidano, Chairperson, in the EUTF Conference Room, 201 Merchant Street, Honolulu, Hawaii, on Friday, May 31, 2013.

Chairperson Hidano announced that Deputy Attorney General Diane Erickson will be available via conference call if needed.

II. APPROVAL OF MINUTES

March 25, 2013

The Administrative Committee reviewed the draft minutes of March 25, 2013.

MOTION was made for the Administrative Committee to approve the minutes of March 25, 2013 as circulated subject to the review of the Deputy Attorney General. (Mossman/Uwaine) After discussion by the Trustees, the motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-2)

III. EUTF ADMINISTRATIVE RULES REVISIONS – CHAPTER 5

Ms. Sandra Yahiro summarized changes to the Administrative Committee regarding the draft EUTF Administrative Rules revisions. Discussion held by Trustees and staff regarding Rule 1.07(d)(4) Meetings of the Board. As such, the Rule would read, “In the event of a deadlock in a vote...the two trustee groups may enter...”.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 2.04(e) Administrative Appeals that the correct number of days is 45 not 30 days.

Mr. Tom Morrison joined the meeting via conference call at 1:40 p.m.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 4:10(c) Continuation of Coverage on the meaning of significant changes. There being no objections by the Trustees, this item is deferred until Deputy Attorney General Kyle Chang can review the definition of significant changes as it relates to employees being able to make changes in their enrollment.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 4.12 Cancellation of Enrollment; Effective Dates of Cancellation, new Rule 4:12(e)(f). Ms. Sandra Yahiro stated that these two (2) sections were added because EUTF has been operating using Acquisition of Coverage and Leave of Absence without pay.. Further discussion by Trustees, staff, and benefits consultant that the EUTF staff will make all words consistent in the Rules.

Overview by Ms. Yahiro regarding the recommended changes to Chapter 5 of the Administrative Rules.

Discussion held by Trustees, staff, benefits consultant, and Ms. Sandra Benevides regarding Rule 5.01(a) Effective Dates of Coverage, New Employee on effective date of eligibility and three (3) choices for effective dates. The Acting Administrator recommends eliminating the 3<sup>rd</sup> choice, “the first day of the second pay period following the date the employee-beneficiary is...”. There is no harm in not deleting the 3<sup>rd</sup> choice. Mr. Tom Morrison stated as long as it is within 90 days under ACA. If further review is necessary, the Administrative Committee would like to see more data. There being no objections by the Trustees, the Administrative Committee recommends language remain as is for effective dates of coverage and employees be allowed to continue with the three (3) choices for effective dates.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 5.01(d) (4) Effective Dates of Coverage, Loss of Coverage in a Non-Fund Health Benefit Plan on the language on providing proof document and using the language “shall” or “may”. There being no objections by the Trustees, the Administrative Committee recommends that the language remain as “may” and for discussion with the full Board. Rule 5.01(e) New language for adding “civil union” and “guardianship” will be kept. Rule 5.01(3) (g) correct language is “placement” not “place”. Discussion held by Trustees, staff and benefits consultant regarding Rule 5.01(f) Enrollment or Changes in Enrollment Upon Retirement on the effective date for retirees to enroll within 30 days and for the EUTF staff to make communication clear to all retirees and better coordination with ERS when

they are planning workshops. Trustee Mossman expressed her concern that a recent retirement session in Maui did not have representation from the EUTF.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 5.02(a) Effective Dates of Coverage, Additions of Dependents Due to Changes in Marital, Domestic Partnership or Family Status confirming not to eliminate the 3<sup>rd</sup> choice of allowing effective dates to continue to be “the first day of the second pay period...” and providing proof of documents.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 5.02(c) Loss of Spouse’s or Domestic Partner’s Coverage on a concern expressed by Trustees on how someone will know to add or drop their ex-spouse and that the EUTF is not responsible to cover the ex-spouse. The EUTF staff should have clear communication and to better educate employees about changes. Discussion held by Trustees, staff, and benefits consultant regarding back retroactive cancellations and procedures when there are claims.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 5.02(d) Last Child Becomes Ineligible. This change affects both actives and retirees – but more for retirees because retirees currently do not have a specific timeframe to make changes. This change will require retirees to notify EUTF within 30 days of their child losing eligibility.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 5.03(b) Mandatory Enrollment in Medicare Part B for Retired Employees on the Medicare Part B reimbursements. This change clarifies what EUTF is already operationally doing.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 5.04(c) Cancellation Due to Failure to Enroll in Medicare; Effective Date of Cancellation on change that authorizes EUTF to collect expenses for claims for retirees who did not enroll in Medicare Part B and that it would go back to the cancellation date of their coverage.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 5.05 Termination of Enrollment; Effective Dates of Termination that a disabled child must meet criteria for total disability.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 5.06(a) Reinstatement in Employment on loss of coverage, procedures for continued coverage, and what happens when an employee is in arbitration and does not want to be covered, and to not delete the third option. There being no objections by the Trustees, the third option will not be deleted.

Discussion held by Trustees, staff, and benefits consultant regarding Rule 5.06(b) Return From an Authorized Leave of Absence and Rule 5.06(c) Return From a Leave of Absence Covered by the Family Medical Leave Act (FMLA) Or Uniform Services to not

delete the third option. There being no objections by the Trustees, the third option will not be deleted.

Discussion held by Trustees, staff, and benefits consultant regarding the addition of Rule 4.14 (c) Reinstatement Upon Return From Legal Strike and that this item should be reviewed by the deputy attorney general and for discussion with the full Board. There being no objections from the Trustees, this item is deferred for the deputy attorney general to review and discussion with the full Board.

Discussion held by Trustees, staff, and benefits consultant that the Administrator will highlight changes for the next Administrative Committee meeting to be held on June 25, 2013 at 8:00 a.m.

- IV. RETIREES WHO RESIDE OUTSIDE U.S. ENROLLED IN MEDICARE PART D  
Ms. Sandra Yahiro reported that it has recently come to the EUTF staff's attention that EUTF Medicare retirees living outside the United States for more than six (6) months cannot be enrolled in a Medicare Part D drug plan. This is a CMS requirement. Discussion held by Trustees, staff, and benefits consultant if the EUTF should cover those retirees and move them to a non-Medicare drug plan. Concerns were expressed by a few Trustees that it is the EUTF's responsibility to cover these retirees, and just to inform the Legislature regarding any additional costs. This item will remain on the agenda for the EUTF staff to confer with the deputy attorney general that the EUTF does not have any choice but to cover these retirees under the commercial plan and to provide the Committee with costs, numbers, do research with vendor if any restrictions outside the United States that prohibits them from mailing drugs, and the timing issue. Discussion held by Trustees, staff, benefits consultant, HMSA, and Caremark regarding the submitting of paper claims.

V. EUTF V3 COMPUTER SYSTEM

A. Rebill Project

Ms. Sandra Yahiro summarized the background and issues regarding the Vitech rebill project which has been an on-going issue since 2009. Ms. Yahiro stated that a EUTF committee will be formed to try to fix the problem which will add to normal staff work and will be on the project list as a high priority. Discussion held by Trustees and staff that this issue is due to EUTF converting to V3 and going live before extensive testing could be done. Currently, EUTF is working around the issue now, the Committee asked EUTF staff to submit a report/update with the green and red signals.

B. EUTF Resources Related to Retroactive Dated Collective Bargaining Agreement Provisions

For the Committee's information, Ms. Sandra Yahiro reported that the Collective Bargaining Units are now settling different employee contribution rates; whereas, in the past, it was all the same. It will take a lot of the EUTF resources, taxing on the

staff, and our computer system will not be able to handle some of these changes.  
EUTF's computer system will require extensive reprogramming.

VI. EXECUTIVE SESSION

MOTION was made to move into Executive Session at 3:43 p.m. (Mossman/Hidano)  
The motion passed. (Employer Trustees-1/Employee-Beneficiary Trustees-1)

Executive Session adjourned at 4:14 p.m.

VII. FUTURE AGENDA ITEMS DISCUSSION and NEXT MEETING DATE

The next Administrative Committee meeting will be held on Tuesday, June 25, 2013 at 8:00 a.m. Items on agenda: (1) Administrative Rules; (2) Vitech project; (3) Internal Control; and (4) Filling the Administrator Vacancy. The EUTF staff to query Committee members for a meeting on July 22, 2013.

VIII. ADJOURNMENT

There being no objections by the Trustees, the meeting adjourned at 4:17 p.m.

Respectfully submitted,

/s/

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Audrey Hidano, Chairperson

APPROVED on July 22, 2013.

DOCUMENTS DISTRIBUTED:

1. Draft Minutes of March 25, 2013. (4 pages)